



## State of Utah

### Department of Environmental Quality

Richard W. Sprott  
*Executive Director*

DIVISION OF DRINKING WATER  
Kenneth H. Bousfield, P.E.  
*Director*

**Drinking Water Board**  
Anne Erickson, Ed.D., *Chair*  
Myron Bateman, *Vice-Chair*  
Ken Bassett  
Daniel Fleming  
Jay Franson, P.E.  
Helen Graber, Ph.D.  
Paul Hansen, P.E.  
Petra Rust  
Richard W. Sprott  
David K. Stevens, Ph.D.  
Ron Thompson  
Kenneth H. Bousfield, P.E.  
*Executive Secretary*

JON M. HUNTSMAN, JR.  
*Governor*

GARY HERBERT  
*Lieutenant Governor*

#### MINUTES OF THE DRINKING WATER BOARD MEETING HELD ON JANUARY 11, 2008 IN SALT LAKE CITY, UTAH

##### Board Members Present

Anne Erickson, Chair  
Myron Bateman, Vice Chair  
Ken Bassett  
Jay Franson, P.E.  
Helen Graber, Ph.D.  
Paul Hansen, P.E.  
Petra Rust  
David Stevens, Ph.D.

##### Board Members Excused

Daniel Fleming  
David Stevens, Ph.D.  
Ron Thompson

##### Staff

Ken Bousfield  
Ken Wilde  
Kate Johnson  
Ying-Ying Macauley  
Patti Fauver  
Michael Grange  
Nagendra Dev  
Bob Hart

##### Guests

Lynn Wall, Wall Engineering  
Byron Davis, Wales Mayor  
Kathy Lundberg, Park City  
Ken Mitchell, Park City  
Eric Johnson, Bond Counsel  
Gary Durrant, Metropolitan Water Dist.  
Carlene Walker, Senator  
Clyde Watkins, Rural Water  
Voneene Jorgensen, Bear River WCD  
Randy Williams, Salt Lake Valley HD  
Keith Hanson, Alta Town  
Kate Black, Alta Town  
Joe Melling, Parowan City  
Wayne Thomas, Alpha Engineering  
Dale Pierson, Rural Water Association  
Marc Edminster, Lewis, Young, Inc.  
Michael Kolz, Stantec  
Fred Duberow, Stantec

##### Staff Continued

Don Lore  
Linda Matulich  
Rich Peterson

##### ITEM 1 – CALL TO ORDER

The Drinking Water Board convened in Salt Lake City, Utah with Chairman Erickson presiding. The meeting was called to order at 1:00 p.m.

##### ITEM 2 – ROLL CALL

Chairman Erickson asked Ken Bousfield to call roll of the Board members. The roll call showed there were 8 members.

### ITEM 3 - INTRODUCTIONS

Chairman Erickson welcomed everyone and asked the guests to introduce themselves.

### ITEM 4 – APPROVAL OF MINUTES

Chairman Erickson stated a motion was in order to approve the November 16, 2007 minutes.

**Ken Bassett moved to approve the November 16, 2007 minutes.**

**Paul Hansen seconded.**

**CARRIED  
(Unanimous)**

### ITEM 5 – ALTA TOWN ANTIMONY VARIANCE

Patti Fauver reported the Town of Alta has a problem in complying with the Antimony standard with some of the amendments in the Safe Drinking Water Act since its inception in 1993. The Town of Alta has been exploring many treatment techniques; even the one's identified for removing Antimony from water from EPA. The Town of Alta has received some Exemptions and a Variance to help them to be able find an acceptable treatment for removing Antimony from their water and to build the treatment facilities. The Town of Alta has submitted another application for Variance to be on the February 29, 2008 Board meeting. The Board will make a decision at the February 29, 2008 Board meeting on issuing another Variance to the Town of Alta. Patti reviewed the process.

Keith Hanson and Kate Black, representing Alta City, addressed the Board.

Discussion followed.

**Petra Rust moved the Board approve staffs recommendation that: a) The Board state their intent to issue a Variance for Antimony to the Town of Alta, and that the Variance will be for a 3 year period of time; b) direct the water system to work with the Division staff in soliciting public comments; and c) schedule a public hearing at the next Board meeting on February 29, 2008.**

**Myron Bateman seconded.**

**CARRIED  
(Unanimous)**

## ITEM 6 - SRF/CONSERVATION COMMITTEE REPORT

### 1) Status Report

Ken Wilde reported the Board has \$11.7 million in the State Loan Funds. The Board has authorized \$9,351,000 in loans leaving a balance of \$2,383,000. In today's proposed schedule, Alta, Parowan and Wales are requesting another \$2 million for their projects. This would leave \$370,000 in the fund that hasn't been authorized. The figures listed reflect the loans that have been authorized but not closed. None of the loans have been closed yet. Revenue of about \$5.9 million is expected to come in from November 30, 2008 until November 30, 2009. The Board will have just over \$6 million in the next 12 months to spend.

Staff has received plans and specifications for Garden City's water treatment plant, and hope to build the plant this summer. This request is listed in the "Projects that have been authorized but not funded yet" list. Staff closed Orderville's loan yesterday. Staff will be presenting a proposed change of Bear River Water Conservancy District of changing the financial conditions. They hope to close in February. The planning loans and grants are closed as soon as the paperwork can be completed.

Ken Wilde reported the Board has approximately \$2,803,000 available for loans that haven't closed yet \$18,868,000 in loans and grants have been authorized. The balance of available funding on November 30, 2007 is \$1.7 million. Staff expects to receive about \$13,000,000 in the fund over the next 12 months. The Board will have \$14,870,000 available over the next 12 months to authorize.

Ken updated the Board on Central Iron County Water Conservancy District's Phase II. Staff held a conference call with Central Iron County and hopes to close in February. Staff will be requesting the Board to deauthorize Woodland Kolob Acres at the February Board meeting. Washington County Water Conservancy District is building a regional system on the mountain. Midvale is expected to close in March. The proposed projects in October/November were authorized by the Board.

Discussion followed.

### 2) State SRF Applications

#### a) Alta Town, Planning & Design Advance – Bob Hart

Bob Hart reported the Town of Alta is requesting a \$50,000 planning grant to conduct a planning/engineering study to be able to make a final decision on the most effective treatment for removing antimony from their drinking water source, design a treatment facility and perform other work described in the scope of work.

Keith Hanson and Kate Black, representing the Town of Alta, addressed the Board.

Keith Hanson said the best route for the Town of Alta is to remove the Antimony from the Bay City water source. In November 2007, the Town of Alta published requests for proposals for engineering companies. The Town of Alta had 8 people and 6 engineering firms apply to help them come up with the best method possible in removing Antimony from their water source.

Keith Hanson gave some background information on what they are doing on finding a solution on their Antimony problem. The Town of Alta will contribute \$10,000 toward the planning advance. This will help the Town of Alta get through Phase 1.

Discussion followed.

**Jay Franson moved the Board authorize a \$50,000 planning and preliminary design grant to the Town of Alta with the condition that they address all of the items that are listed in their compliance report. The Town will also look at all of the financial evaluation possibilities to see how a loan in the future might be repaid based non-residential or other users.**

**Paul Hansen seconded.**

**CARRIED  
(Unanimous)**

b) Wales Town – Planning Advance – Michael Grange

Michael Grange reported the Town of Wales is requesting a \$40,000 Planning Advance to investigate the location of a new culinary well. This well has become necessary to supplement their existing water source. The flow has diminished due to continuing drought conditions. In addition to investigating the location, they want to drill a test drill, complete the required drinking water source protection plan for the new well, and perform the necessary new source chemistry evaluations.

Michael Grange mentioned the Town of Wales request of a \$40,000 Planning Advance will be at 0% interest for five (5) years. The Town of Wales will repay \$8,000 annually starting on the date that the loan agreement is signed. The Town of Wales may elect to roll the balance of the loan principle into a future construction loan. The scope of work also includes (a) completion of the activities listed in the scope of work that is attached and (b) the evaluation on how the Town proposes to correct the deficiencies listed in the attached compliance report.

Mayor Byron Davis and Lynn Wall, Wall Engineering, representing Wales Town were available for any questions from the Board.

Mayor Davis and Lynn Wall addressed the Board.

Discussion followed.

**Ken Bassett moved the Board authorize the SRF/Conservation Committee's recommendation of a \$40,000 planning loan to Wales Town at 0% interest for five (5) years. Wales Town is too repay \$8,000 annually beginning one (1) year from the date the loan agreement is signed. The application may elect to roll the balance of any loan principle into a future construction loan. The scope of work for this loan includes (a) completion of the activities listed in the attached scope of work and (b) the evaluation of how the Town proposes to correct the deficiencies listed in the compliance report.**

**Petra Rust seconded.**

**CARRIED**  
**(Unanimous)**

c) Parowan City – Construction Loan – Rich Peterson

Rich Peterson reported Parowan City's project is to work on their spring, upgrade the waterlines and drilling a second drinking water well. The total cost of the project is a little over \$2.1 million. Parowan City's contribution on the project is \$214,000. Parowan City does not qualify for a grant. Parowan City's local MAGI is 79.8% of the statewide MAGI.

Rich mentioned the SRF/Conservation Committee is recommending that the Board authorize a loan of \$1,923,000 at 2.05% for 20 years on the condition that Parowan City resolves the appropriate issues on their compliance report. The loan origination fee would be \$19,230.

Joe Melling, City Manager, and Wayne Thomas, P.E., Alpha Engineering, representing Parowan City, addressed the Board.

Discussion followed.

**Paul Hansen moved the Board authorize the SRF/Conservation Committee's recommendation of a loan for \$1,923,000 at 2.05% for 20 years to Parowan City, on the condition they resolve the appropriate issues on their compliance report. The loan origination fee would be \$19,230, and the Board will consider an option in the future for Parowan City to come back to the Board with additional information, which would allow the Board to consider other factors funding options.**

**Petra Rust seconded.**

**Discussion on motion.**

**CARRIED**  
**(Unanimous)**

d) Bear River WCD - Project Update – Ken and Rich

Rich Peterson reported at the September 14, 2007 Drinking Water Board meeting, the Board authorized a project for the Bear River Water Conservancy District (WCD). Bear River WCD is starting up a new area, and the project consists of a water tank and a big transmission line. The Board authorized a \$1.8 million loan and a \$600,000 grant. It was anticipated that this funding package be secured by revenue by all of the users of the District. Bear River WCD's September packet is also included for the Boards reference.

Rich Peterson reported staff would like the Board to confirm their authorization from the September Board meeting with exactly the same terms, the same amounts of money, and the same conditions as before. The only thing that is added to the authorization is how it is structured, how it will be secured at the loan closing, and the South Willard area will be the only one using this revenue. Staff updated the Board on recent conversations with the Division attorneys and the District attorneys.

Eric Johnson, Bond Attorney, and Marc Edminster, Financial Consultant and Voneene Jorgensen, General Manager, for the Bear River WCD, were available for questions from the Board.

Eric Johnson, Bond Attorney, described the current situation with the District and their bonds.

Marc Edminster, Financial Consultant, described the Districts current financial situation, how the new South Willard area is financially viable and that they would be able to secure a separate revenue bond for their area.

Discussion followed.

**Jay Franson moved the Board authorize the SRF/Conservation Committee's recommendation to confirm the September 2007 authorization which is a loan of \$1,800,000 at 2.19% for 20 years and a grant of \$600,000 to the Bear River Water Conservancy District for the South Willard project, with the same conditions of the impact fees collected that exceed the amount of the fees estimated in the Growth Projection spreadsheet (after the first cumulative \$500,000 set-aside), allow a modified repayment schedule as shown in the packet, and charge a loan origination fee of \$18,000. The difference being this new funding package would be secured by the South Willard area only.**

**Helen Graber seconded.**

**CARRIED  
(Unanimous)**

Eric Johnson asked about a previous funding package, where the District used an indenture with a Trustee with a Bank acting as Trustee. On some of the loans, the annual trust fee actually exceeds the amount of annual interest payment on the loan. Most loans that the Drinking Water Board makes, there isn't a trustee involved, because the Drinking Water Board is an arm of the State has other ways of reaching the District. The District would be interested in refunding its outstanding loans and reissuing the loans without a trustee involved.

Discussion followed.

Myron Bateman asked that this new request be brought back to staff to work it up and be presented to the Board at another meeting.

#### **ITEM 7 – CHAIRMAN'S REPORT**

Chairman Erickson reported that elections for Chair and Vice Chair will be held at the February 29, 2008 Board meeting.

Dale Pierson introduced Clyde Watkins, a former State Circuit Rider for the Rural Water Association funded by the Division of Drinking Water. Clyde then went on to be the Source Water Technician for the Rural Water Association for about a year. Clyde will now become the Development Specialist.

Dale will be working with the counties on putting together the model ordinances, the model construction standards, etc.

Clyde Watkins addressed the Board.

Patti Fauver reported that Park City is responding to a water quality issue regarding Thallium, Arsenic and Manganese. She will update the Board at the next meeting.

Discussion followed.

Ken Bousfield mentioned the Rural Water Association has invited Ann Erickson, Myron Bateman and Ken Bousfield to host a "County Planning Meeting" on Wednesday, February 27, 2008 from 3:00 p.m. to 5:00 p.m. The Board members are invited to attend the meeting.

Dale Pierson addressed the Board on what is envisioned to be addressed at the County Planning Meeting. Dale Pierson will work closely with the one's that will be involved in putting this meeting together.

#### ITEM 8 – DIRECTORS REPORT

##### a) Rural Water Association of Utah's 2008 Annual Conference

Ken Bousfield reviewed the program for the 2008 Annual Conference.

Ken Bousfield mentioned the Board members have been registered for the Conference, and hotel accommodations are being made by Linda Matulich. When the hotel reservations are finalized, Linda will pass on the information to the Board members. When the Board members receive their hotel information and if they have any questions, give Linda a call.

##### b) Utah Water Users' 2008 Annual Conference

Ken Bousfield updated the Board members on the Utah Water Users' Annual Conference.

Ken mentioned the Board members are invited to attend this conference each year. Some of the Board members have been registered for the conference and have hotel accommodations. If any of the Board members have any questions, give Linda a call.

##### c) Annual Awards/Christmas Luncheon

Ken Bousfield reported on the Annual Christmas Luncheon Awards the Division holds annually. Staff receives Service Awards annually which go in increments of 5 years. Staff members also received an On-The-Spot award for the work they have accomplished for the past year.

##### d) Payroll Direct Deposits

Ken Bousfield reported the State is now requiring that all State employees have their pay checks deposited directly to their checking and/or savings account. All Board, Commission, and Committee members, pay will be made by direct deposit their pay checks starting in March 2008.

Linda passed out forms for the Board members to fill out and return to her as soon as possible. If you have any questions, please get in touch with Linda.

Ken Bousfield mentioned there is a change on how meals are handled while at meetings and/or traveling. Ken gave some background information on the new changes.

e) Staff Changes

Ken Bousfield introduced Ying-Ying Macauley. Ying-Ying is the new Engineering Program Manager.

Ying-Ying Macauley addressed the Board.

Dale Pierson addressed the Board on the pamphlet he handed out about the “Rural Water State Legislative Water Rally”, which will be held on Tuesday, January 22, 2008 from 10:00 a.m. to 3:00 p.m. in the State Office Building Auditorium.

Dale reviewed what will be discussed in the each session on: a) Water Rights Forfeiture Legislation, b) Aquifer Protection Legislation, c) Source Protection Legislation, and d) Source Protection Legislation. Dale invited the Board members to attend the Rally.

ITEM 9 – NEWS ARTICLES

The news articles are in the packet.

ITEM 10 – NEXT BOARD MEETING

***Date: February 29, 2008***

***Time: 1:30 p.m.***

***Location: Dixie Center***

***1835 Convention Center Drive, Entrada Room  
St. George, Utah 84770***

ITEM 11 – OTHER

No other business.

ITEM 12 – ADJOURN

Chairman Erickson stated a motion to adjourn the Board meeting was in order.

**Paul Hansen moved to adjourn the Drinking Water Board meeting at 3:15 p.m.**

**The motion was seconded.**

**CARRIED  
(Unanimous)**

Linda Matulich  
Recording Secretary